
Public Utilities Commission of the State of California

Results of Public Agenda 3179

Meeting Held on Thursday, September 21, 2006 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Rachelle B. Chong

Dian M. Grueneich

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, October 02, 2006 (San Francisco)	Thursday, October 05, 2006 (San Francisco)
Monday, October 16, 2006 (San Francisco)	Thursday, October 19, 2006 (Fresno)
Monday, November 06, 2006 (San Francisco)	Thursday, November 09, 2006 (San Francisco)
Monday, November 27, 2006 (San Francisco)	Thursday, November 30, 2006 (San Francisco)
Monday, December 11, 2006 (San Francisco)	Thursday, December 14, 2006 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
-

Public Comment:

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

- 1**
[5853] **A06-03-025 - Acceris Management and Acquisition LLC. (Applicant).**
This decision grants Applicant's application for a certificate of public convenience and necessity authorizing the provision of resold local exchange services in this state. This proceeding is closed.
(Comr Chong - ALJ Prestidge)
Agenda 3177, Item 21 8/24/2006 (Staff);
Agenda 3178, Item 3 9/7/2006 (Brown)
Outcome Held (10/5/06, Consent Agenda. Further consideration.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- 2**
[5888] **Res ALJ 176 - 3179**
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.
Outcome Approved
[Res ALJ 176-3179](#)
Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

3

[5913]

A05-12-016 - IElement Telephone of California, Inc. (Applicant).

This decision grants Applicant a certificate of public convenience and necessity authorizing the provision of limited facilities-based and resold local exchange and interexchange services in this state. In order to ensure that Applicant has sufficient financial resources to adequately serve the public, the decision requires Applicant to file audited financial statements with the Commission Telecommunications Division each year with its annual report. This proceeding is closed.

(Comr Bohn - ALJ Prestidge)

Outcome Signed[D06-09-030](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

4

[5914]

A02-12-028 - San Diego Gas & Electric Company (SDG&E).

A05-02-019 - Related matters. This decision denies a request by SDG&E to defer filing of its revenue allocation and rate design testimony associated with its test year 2008 general rate case from mid-March 2007 to June 1, 2007. It determines that rather than a delay, the public interest compels an earlier filing date of January 2, 2007, to ensure necessary rate changes, including those supportive of critical peak pricing and other dynamic pricing programs, are able to be implemented prior to the summer of 2008.

(Comr Brown, Comr Grueneich - ALJ Long)

Outcome Signed[D06-09-031](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

5

[5919]

A05-07-010 - PacifiCorp and MidAmerican Energy Holdings Company.

This Decision grants the petition to modify D06-02-033 that was jointly filed by PacifiCorp and MidAmerican Energy Holdings Company. The adopted modifications to D06-02-033 provide additional protections for PacifiCorp's ratepayers, make technical revisions to D06-02-033, and correct typographical errors. This proceeding is closed.

(Comr Bohn - ALJ Kenney)

Outcome Signed[D06-09-032](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

-
- 6**
[5950] **(ECP) C06-06-006 - Louis Francis Russo vs. AT&T Communications of California, Inc.**
Complainant's local toll charges of \$383.28 is cancelled. This proceeding is closed.
(Comr Chong - ALJ Barnett)
Outcome Signed
[D06-09-033](#)
Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 7**
[5951] **(ECP) C06-03-016 - J. Raymond Greene vs. SBC California and SBC Advanced Solutions, Inc.**
Reparations awarded for poor service. Complaint for an award of damages for harassment dismissed for lack of jurisdiction. Case 06-03-016 is closed.
(Comr Brown - ALJ Barnett)
Outcome Signed
[D06-09-034](#)
Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 8**
[5952] **A06-05-018 - Southern California Edison Company (SCE).**
This decision grants the application of SCE to approve a settlement agreement between SCE and Duke Energy Trading and Marketing, L.L.C. This proceeding is closed.
(Comr Peevey - ALJ Gamson)
Outcome Signed
[D06-09-035](#)
Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

9

[5957]

A06-06-018 - City of Fullerton.

This decision grants the request of the City of Fullerton to alter and convert to a public crossing the existing private at-grade crossing of Union Pacific Railroad Company's Anaheim Branch railroad tracks and Hughes Drive in City of Fullerton, County of Orange. This proceeding is closed.

(Exam Clark)

Outcome Signed[D06-09-036](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

10

[5961]

C05-11-011 - Utility Consumers' Action Network vs. SBC Communications, Inc. dba SBC Pacific Bell Telephone Company and related entities.

C05-11-012 - Related matters. Because of the unexpected need to resolve ex parte allegations in these proceedings, the 12-month statutory deadline for resolving these adjudicatory proceedings is extended, pursuant to Pub. Util. Code §1701.2(b) by 120 days.

(Comr Brown - ALJ Thorson)

Outcome Signed[D06-09-037](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

11

[5963]

A05-05-001 - Pacific Gas and Electric Company (PG&E).

A05-05-003, A05-05-004, A05-05-005, A06-05-016 - Related matters. This decision consolidates PG&E's 2005 and 2006 Annual Earnings Assessment Proceeding (AEAP) applications into a single proceeding in which the Commission will address issues related to the reasonableness of balances in PG&E's Interruptible Load Program Memorandum Account. The decision also closes the 2005 AEAP applications of Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, because no issues remain for the Commission to resolve in these proceedings. A05-05-003, A05-05-004, and A05-05-005 are closed.

(Comr Peevey - ALJ Ebke)

Outcome Signed[D06-09-038](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

12

[5964]

Res T-17053 - Verizon California, Inc. (Verizon).

Verizon requests approval of an Interconnection Agreement between Verizon and KMC Data, LLC, pursuant to Section 252 of the Telecommunications Act of 1996 and in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 11605, filed August 9, 2006)

Outcome Approved[Res T-17053](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

13

[5965]

Res T-17054 - Global Valley Networks, Inc. (Global Valley).

Global Valley requests approval of a CMRS Interconnection Agreement between Global Valley and Cricket Communications, Inc., pursuant to Section 252 of the Communications Act of 1996 and in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 382, filed August 2, 2006)

Outcome Approved[Res T-17054](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

14

[5966]

Res E-4024 - Pacific Gas and Electric Company (PG&E).

PG&E requests approval of an amendment to a renewable energy contract already approved by the Commission. PG&E's request is approved without modifications. (Advice Letter 2828E, filed May 15, 2006)

Outcome Approved[Res E-4024](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

15

[5968]

Res E-4021 - Pacific Gas and Electric Company (PG&E).

PG&E requests approval of the Bottle Rock, Liberty, and HFI renewable resource procurement contracts. These contracts are approved without modifications. (Advice Letter 2827-E, filed May 15, 2006)

Outcome Held (10/5/06, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

16

[5969]

Res E-4022 - Pacific Gas and Electric Company (PG&E).

PG&E requests approval of the Military Pass Road-Newberry LLC (Vulcan) renewable resource procurement contract. This contract is approved without modifications. (Advice Letter 2860-E, filed July 14, 2006)

Outcome Held (10/5/06, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

17

[5904]

R04-01-025 - Order Instituting Rulemaking to establish policies and rules to ensure reliable, long-term supplies of natural gas to California.

This order addresses the remaining issues in the proceeding. This order, among other things, does as follows: 1. Approves Interconnection Agreements and Operational Balancing Agreements for LNG providers (including gas arriving at Otay Mesa). 2. Directs the Pacific Gas and Electric Company (PG&E), the San Diego Gas & Electric Company (SDG&E), and the Southern California Gas Company (SoCalGas) to adopt, as a backbone transmission planning standard, one-in-ten cold and dry year average demand. 3. Approves an agreement between PG&E and independent storage providers for direct interconnection to storage customers. 4. Endorses the creation of an Infrastructure Working Group which will enable all participants and relevant state agencies to monitor system utilization and identify expansion needs. 5. Clarifies and expands policies related to receipt point expansion on the SoCalGas system. 6. Directs the utilities to make new system adequacy filings in a new proceeding, incorporating the requirements set forth in this order including the need to consider the probability of peak-period storage withdrawal, and the deliverability of withdrawn gas when assessing the adequacy of the entire system. 7. Directs the utilities to propose quantifiable slack capacity standards based on the specific characteristics of their respective natural gas delivery systems and the need to ensure adequate service in times of emergency. 8. Raises concerns about the adequacy and competitiveness of unbundled storage in the SoCalGas service territory and orders the utility to file tariffs creating a cost-based recourse rate for storage customers willing to make a multi year commitment. 9. Rejects SoCalGas' proposed revisions to its rules affecting open seasons related to local transmission capacity. SoCalGas seeks to establish a requirement that customers seeking firm capacity commit to 5 or 10-year contracts. The order cites the Commission policy, as established in Decision 02-11-073, stating that the Commission will not consider the merits of imposing long-term contracts until SoCalGas has established an approved program for tradable firm rights. 10. Directs SDG&E and SoCalGas to plan more explicitly for appropriate system expansions outside of the open season process. 11. In reviewing current gas quality standards, the order requires the preservation of the status quo in terms of safety, reliability and air quality, by keeping in place the current SoCalGas Rule 30 requirements and ordering adherence to the current Air Resources Board compressed natural gas vehicles standards. Parties are encouraged to develop an alternative means for maintaining the status quo while the utilities and others complete studies necessary to ensure safe, reliable, and clean natural gas service under revised air quality standards. The additional studies will include compliance with the California Environmental Quality Act. 12. Adopts various minor changes to PG&E's Rule 21 and SoCalGas' Rule 30. 13. Directs the Energy Division, in cooperation with the California Energy Commission, to convene a workshop to develop a detailed strategy for additional studies necessary to ensure that new gas quality specifications will preserve safe, reliable, and clean natural gas service.

(Comr Peevey - ALJ Weissman)

Agenda 3178, Item 30 9/7/2006 (Staff)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

17a

[5905]

ALTERNATE TO ITEM 5904

The alternate decision adopts natural gas quality standards for Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas) and San Diego Gas and Electric Company (SDG&E), assesses the adequacy of the utilities' backbone pipeline transmission capacity and associated slack capacity ranges, as well as storage adequacy, establishes open season policies for SoCalGas and SDG&E, and approves Interconnection Agreements and Operational Balancing Agreements for LNG providers and approves a settlement agreement between PG&E and independent storage providers. This decision concludes Phase II of this Rulemaking.

(Comr Peevey)

Agenda 3178, Item 30a 9/7/2006 (Staff)

Outcome Signed

[D06-09-039](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

18

[5937]

R06-02-012 - Order Instituting Rulemaking to develop additional methods to implement the California Renewables Portfolio Standard Program.

This decision sets the ground rules for the participation of energy service providers and community choice aggregators in the Renewables Portfolio Standard (RPS) program. The decision also sets additional standards for contracts for the procurement of eligible renewable resources by all load-serving entities obligated under the RPS program.

(Comr Peevey - ALJ Simon)

Outcome Held (10/5/06.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Energy Resolutions and Written Reports**19**

[5924]

Res E-4017

This resolution approves a citation program authorizing Commission Staff to enforce compliance with system and local resource adequacy filing requirements by load-serving entities within the service territories of California's three largest investor-owned electric utilities.

Outcome Held (10/5/06.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

20

[5925]

Res E-4004 - Pacific Gas and Electric Company (PG&E).

PG&E submits electric rate changes pursuant to the 2003 General Rate Case Phase 2, effective May 1, 2006, which includes discontinuing enrollment of new customers in the residential time-of-use (TOU) schedule E-7, and establishes new residential TOU schedule E-6. PG&E's request is approved. (Advice Letter (AL) 2810-E, filed April 5, 2006 and supplemental AL 2810-E-A, filed April 14, 2006)

Outcome Approved[Res E-4004](#)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Telecommunication Orders**21** **R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into**
[5778] **competition for local exchange service.**

I95-04-044 - Related matters. This decision disposes the Petitions for Modification of Decision 05-07-043 (Petitions), filed respectively by Verizon California Inc. (Verizon) on January 5, 2006, and by AT&T California dba SBC California (SBC) on February 3, 2006. Verizon and SBC seek to terminate the requirement for arbitration of batch hot cut process and pricing disputes. A prehearing conference shall be conducted in the consolidated arbitration proceedings for Verizon and SBC in order to address ultimate disposition of parties' remaining disputes relating to batch hot cut processes and pricing.

(Comr Peevey - ALJ Pulsifer)

Agenda 3176, Item 51 7/20/2006 (Peevey);

Agenda 3177, Item 56 8/24/2006 (Brown);

Agenda 3178, Item 34 9/7/2006 (Peevey)

Outcome Held (10/5/06. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

22 **R03-06-020 - Order Instituting Rulemaking to establish rules governing the transfer of**
[5933] **customers from competitive local carriers exiting the local telecommunications market.**

This decision adopts Mass Migration Guidelines (Guidelines), which apply when a Competitive Local Exchange Carrier (CLEC) files an application to discontinue providing local exchange service to its customers. The guidelines address regulatory, industry, and customer notification, including the form and timing of notice customers must receive. The Guidelines provide a process for mass migrations, which is designed to make the transfer of customers more efficient so customers do not lose essential voice services. The Guidelines provide that the Commission will appoint a default carrier if necessary and will ensure the CLEC compensates the default carrier.

This proceeding is closed.

(Comr Peevey - ALJ Grau)

Outcome Held (10/5/06. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**23**

[5868]

DA 06-49, WC Docket 06-10

The FCC has established a pleading cycle for comments to be filed regarding AT&T, Bell South and Qwest's Petitions for Forbearance under 47 U.S.C. Section 160 (c) from Title II and Computer Inquiry rules with respect to broadband services.

Agenda 3177, Item 66 8/24/2006 (Staff);

Agenda 3178, Item 37 9/7/2006 (Staff)

Outcome Approved-Staff Recommendation

DA 06-49, WC Docket 06-10

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

24

[5958]

WC Docket 06-122

The FCC has established a pleading cycle regarding the FCC request to parties to file comments related to issues discussed in a recently released Order that dealt with universal service contributions by wireless and VoIP carriers.

Outcome Approved-Staff Recommendation

WC Docket 06-122

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

25

[5959]

WC Docket No. 96-45 and 05-337, FCC 06J-1

The Federal-State Joint Board on Universal Service is inviting comment on the use of reverse auctions (competitive bidding) to determine high cost universal service funding to eligible telecommunications carriers (ETCs). The Joint Board asks that interested parties provide comment regarding whether and how competitive bidding could be utilized to further the goals of the Act, the Commission's universal service goals, and any other criteria or issues described in the August 2004 Public Notice [19 FCC Rcd 16083 (2004)]. WC Docket Nos. 96-45 and 05-337, FCC 06J-1.

Outcome Held (10/5/06.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legislative and Other Matters

26

[5954]

Proposition 90 (Initiative Constitutional Amendment)

Government Acquisition, Regulation of Private Property.

Agenda 3178, Item 39 9/7/2006 (Chong)

Outcome Approved (Legislative Subcommittee Recommendation: Oppose.)

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Commissioner's Reports**27**

[5974]

Commissioner Grueneich Report:

Discussion and action regarding appointment of LaDonna Williams to the public representative position on the Commission's Low-Income Oversight Board. Ms. Williams is the Executive Director of People for Children's Health & Environmental Justice as well as a Leadership Council member of the Environmental Justice Coalition for Water.

Outcome Approved

Yes: (Bohn, Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions

- 34** **Executive Director Larson Report**
[5977] Update on Clean Energy Fund activities
 Outcome Held (10/5/06.)
 Yes: (none)
 No: (none)
 Abstain: (none)
 Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Applications for Rehearing

- 29** **A05-10-005 - Conference with Legal Counsel - Application for Rehearing**
 [5960] C05-10-007, C05-10-011, C05-09-011, C05-09-012, C05-09-027, C05-11-015 - Related matters. Disposition of Applications for Rehearing of D06-04-073 filed by the Division of Ratepayer Advocates and by Assembly Member Dave Jones, David Tamayo, and Paul and Debra McVay. In D06-04-073 (Decision) the Commission approved a comprehensive settlement agreement which would avoid a potential moratorium on new water service requested by Fruitridge Vista Water Company ("FVWC"). In approving the settlement agreement, the Decision permits FVWC to comply with multiple objectives under orders issued by the Department of Health Services and the Regional Water Quality Control Board, and to resolve six formal complaints against FVWC.
- Outcome Signed**
 D06-09-040
 Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
 No: (none)
 Abstain: (none)
 Absent: (none)
- 30** **R03-04-003 - Conference with Legal Counsel - Application for Rehearing**
 [5971] Disposition of Application for Rehearing and/or Request for Stay of D06-04-036 filed by Latino Issues Forum (LIF). D06-04-036 awards LIF compensation for its substantial contributions to D05-05-013. LIF's original request of \$163,926.22 was reduced to \$71,118.60 following the determinations that LIF's hours were excessive, that many of its requested hourly rates were too high, and that certain of its activities were not eligible for reimbursement under established Commission policies.
- Outcome Signed**
 D06-09-041
 Yes: (Bohn, Brown, Chong, Grueneich, Peevey)
 No: (none)
 Abstain: (none)
 Absent: (none)

